

Utah Challenges I-15 Contractors:

Here's our money, now what can you build us with it?

Utah DOT has gone shopping for value

Looking for I-15 corridor expansion (I-15 CORE) work, UDOT chose as a procurement process a fixed price/best design (FP/BD) format. Essentially contractors know how much money is available – in this case a set total project budget of \$1.725 billion -- and they must devise a design that offers the state the most value for those dollars. With this process, how contractors respond will determine the final shape and scope of the project, for example how many lanes and how many miles of roadway will be built.

"We believe this is a favorable bidding environment and contractors are very competitive right now for projects of this size and scope," says UDOT's I-15 CORE spokesperson Heather Barnum. "We also hope that this will not only foster innovation but competition and increase the scope, length of roadway and innovative ideas we can bring to Utahans without sacrificing quality and within budget and parameters. Any time you have more projects than budget this is a favorable approach. It's not about low bids from contractors it's about their ideas, how far they can go, what they can offer.

"Quality will not suffer," says Barnum. "We have set parameters and quality standards that every bid will have to adhere to."

This is the largest transportation project to use this procurement approach according to UDOT. Once bids are in, UDOT has set a very aggressive three weeks to make a decision.

"The fixed-price/best-design process honors the money allotted by the state in March by keeping within budget, while at the same time encouraging contractor teams to propose innovative and creative ideas," said Dal Hawks, I-15 CORE project director. "These capable contractor teams will demonstrate flexibility and innovation to provide the highest value within the project budget and parameters set by UDOT."

The department has indicated that it is especially interested in two specific parts of the project. One is the Diverging Diamond Interchange in American Fork, the first of its kind in the state, where the job is to "efficiently improve traffic flow and quality of life in the area." The other is an interchange in Provo that "presents bidding teams with a great opportunity for innovative ideas to address the traffic flow efficiency of this well-travelled interchange. UDOT expects to see creative ideas through complex areas such as this one."

I-15 CORE wants to add two additional northbound and southbound lanes from American Fork to Provo, improve existing lanes, rebuild or reconfigure interchanges, replace

or modify bridges and extend the express lane from Orem to Provo. Exact scope and methods will be determined by the selected design-builder team within set I-15 CORE parameters. Construction is expected to begin in spring 2010 and is projected to support or create thousands of jobs.

The contractor selection process for the project began with the request for proposals in June 2009 and design-build team selection is expected by December 2009.

UDOT says while this is the biggest FP/BD procurement in the country, two other states have used this approach. Missouri DOT has two projects at work right now, a \$400 million upgrade of I-64 in St. Louis and the \$245 million KC-Icon project which will upgrade a section of Interstate 29/35 leading into Kansas City. Colorado DOT also used this approach on a 2007, \$150 million Colorado Springs project on I-25. ♦

States Officially Worried

States are worried that as Highway Trust Fund runs out of money any day that whatever stopgap funding is used to

keep the fund afloat short of new reauthorization legislation may be too little to maintain their basic programs at current levels.

States could face reduced reimbursements in federal highway funds by September according to Tennessee's Senate Majority Leader Mark Norris (R-Collierville), Chairman of the Council of State Government's (CSG) Transportation Finance Committee. CSG has passed a resolution calling on Congress to pass an adequately funded multi-year transportation authorization bill as soon as possible.

"Without action, states will again have to face the prospect of massive cutbacks in federal highway aid money going into the next fiscal year," said Leader Norris. "That is a scary proposition considering the challenges we face in all areas of state government as the economy continues to deteriorate and federal stimulus money dries up in 2010."

The Highway Trust Fund needs a \$5 to \$7 billion infusion to cover obligations through the end of the current fiscal year. Without a reauthorization bill another \$8 to \$10 billion will be needed to cover an anticipated cash shortfall in fiscal year 2010. Last year, Congress had to supplement the Fund by \$8 billion to get through the budget year.

